

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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## MEMORANDUM

TO: Gardner Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 1, 2017

This Commission is hereby furnishing you with approval of the funding schedule the Board recently adopted (copy enclosed) which assumes payments are made on July 1 each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a 7.75% investment return assumption (the same assumption as used in the January 1, 2016 valuation). Although this assumption is acceptable, we have generally recommended an assumption of 7.50% or lower the past two years. There are 59 systems currently with an assumption of 7.50% or less.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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# GARDNER CONTRIBUTORY RETIREMENT SYSTEM

## FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2019	606,594	42,021,098	3,291,115	163,460	4,061,169	5.50%
2020	627,825	41,731,556	3,452,637	163,460	4,243,922	4.50%
2021	649,799	41,245,536	3,621,640	163,460	4,434,898	4.50%
2022	672,542	40,539,748	3,798,467	163,460	4,634,469	4.50%
2023	696,081	39,588,730	3,983,479	163,460	4,843,020	4.50%
2024	720,443	38,364,657	4,177,052	163,460	5,060,955	4.50%
2025	745,659	36,837,144	4,379,580	163,460	5,288,698	4.50%
2026	771,757	34,973,026	4,591,473	163,460	5,526,690	4.50%
2027	798,768	32,736,123	4,813,163	163,460	5,775,391	4.50%
2028	826,725	30,086,989	5,045,098	163,460	6,035,284	4.50%
2029	855,661	26,982,637	5,287,751	163,460	6,306,871	4.50%
2030	885,609	23,376,240	5,541,612	163,460	6,590,680	4.50%
2031	916,605	19,216,812	5,807,196	163,460	6,887,261	4.50%
2032	948,686	14,448,861	6,085,042	163,460	7,197,188	4.50%
2033	981,890	9,012,015	6,375,711	163,460	7,521,061	4.50%
2034	1,016,257	2,840,617	2,840,617	163,460	4,020,334	-46.55%
2035	1,051,826	-	-	163,460	1,215,285	-69.77%

### Amortization of Unfunded Liability as of July 1, 2017

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2019	Fresh Start	N/A	N/A	16	N/A	16

#### Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base. Original Amortization Amount is the annual amortization amount when the base was established. Percentage Increasing is the percentage that the Original Amortization Amount increases per year. Original # of Years is the number of years over which the base is being amortized. Current Amortization Amount is the amortization payment amount for this year. Years Remaining is the number of years left to amortize the base.

\* Contribution is set to be the amount resulting from a 5.5% increase on the prior year's contribution, with 4.5% increases thereafter. The contribution in FY2034 decreases by 46.55%.